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NEWS RELEASE

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Statement of Attorney General Morrisey Regarding the State's Complaint Against McKesson Corporation

CHARLESTON — West Virginia Attorney General Patrick Morrisey provides the following statement regarding the state's complaint against McKesson Corporation.

"Today, we are announcing that the state of West Virginia, through its Attorney General's Office, is filing a lawsuit against McKesson, the largest wholesaler in the United States, for its failure to identify, detect, report and stop the flood of suspicious prescription drug orders into the state. This failure is one cause of many for the state's prescription drug overdose rate, decreased worker productivity and the wasteful expenditure of precious state resources. This action represents yet another major step by my office to fight this terrible affliction on our citizenry.

"My decision today is an independent one, consistent with my duty to carefully examine evidence and analyze issues objectively before filing a lawsuit. In this case, we issued a subpoena, enforced the subpoena, conducted a thorough investigation and concluded that it was proper to file this action. In the near future, the office will seek to join this case with the ongoing matter in Boone County involving 12 other drug wholesaler defendants. The office will also join state agencies which may be interested in this action, now that we have reached a determination that the state has appropriate evidence to pursue these claims. We believe strongly that McKesson should be held responsible for its failure to comply with the state's laws. Recently, on the federal level, the DEA reached a \$150 million settlement with McKesson involving similar issues. McKesson is the largest pharmaceutical distributor in the country.

"In our complaint, we make a number of specific allegations regarding the company's repeated violations of the state's consumer protection laws. For example, between 2007-2012, the complaint further alleges that the company distributed into West Virginia 46,179,600 doses of hydrocodone and 54,304,980 doses of oxycodone for a total of 99,484,580. The complaint also

states that 'defendant's actions of placing profits over the welfare of the citizens of the State of West Virginia have caused substantial damages to the State of West Virginia.'

"The flooding of prescription pills into our state is a very serious problem that involves all parts of the pharmaceutical supply channel. No one group or industry sector is solely responsible for this problem; a solution must involve many actors, including doctors, pharmacies, wholesalers, manufacturers and government bodies such as the FDA (which approves drug labeling) and the DEA, which determines the permissible number of certain controlled substances produced in our country every year.

"Fighting substance abuse is a top priority for my office. Today's announcement is just one in a series of major initiatives that we have been pursuing to tackle this terrible epidemic. Over the past year, we have sought to expand the number of drop boxes located around the state so that we can dispose of prescription drugs responsibly. Last month, we forged an agreement with the U.S. Attorney in the Northern District to designate an assistant attorney general as a special federal prosecutor, to fight the heroin epidemic and drug trafficking organizations. We are currently working with various stakeholders to develop best practices regarding how the various entities throughout the pharmaceutical supply chain can tighten up their compliance efforts to reduce diversion and ensure that pain medications are used for proper medical purposes. Further, it is my hope that through my work on the Substance Abuse Committee of the National Association of Attorneys General, we can apply the valuable lessons learned from the drug fighting initiatives that are succeeding in the other states to West Virginia. As our action today makes clear, my office will pursue any entity that violates our state laws. No one is immune from scrutiny if they break the law."

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